

CITY COUNCIL REPORT



Meeting Date: June 27, 2017
 General Plan Element: **Character & Design**
 General Plan Goal: ***Build upon the significant role the arts have played in shaping our community's image and lifestyle by maximizing the potential of public art to enrich the daily lives of people that live in or visit Scottsdale.***

ACTION

Scottsdale Cultural Council Annual Financial Participation Agreement. Adopt Resolution No. 10819, authorizing Agreement No. 2017-078-COS, a financial participation agreement for fiscal year 2017/18 in the amount of \$4,648,687, to be allocated for activities consistent with the management services agreement between the City of Scottsdale and Scottsdale Cultural Council doing business as Scottsdale Arts.

BACKGROUND

Since 1987, Scottsdale Arts has provided advisory and management services with regard to the arts and cultural programs and facilities of the City of Scottsdale. The organization is led by the president/chief executive officer and a 22-member board of trustees plus two representatives from each of the three divisions' advisory boards. Scottsdale Arts' three operating divisions are the Scottsdale Center for the Performing Arts, the Scottsdale Museum of Contemporary Art and Scottsdale Public Art.

In 2008, a 10-year management services agreement with Scottsdale Arts was approved by the City Council. The management services agreement ensures that city funds are used for the program of work as presented in the annual operation plan and report. The agreement is monitored on an ongoing basis by the city's contract administrator and through annual performance measures, programming updates and financial reports. The terms of the contract call for an annual audit and year-end financial report. The City Council must annually approve the allocation for the city's financial participation for Scottsdale Arts, subject to the terms of the management services agreement.

ANALYSIS & ASSESSMENT

On May 23, 2017, the Scottsdale Arts Board of Trustees reviewed and approved Scottsdale Arts' annual operating budget. Their operation plan overview and report describes current year highlights and plans that will be used to implement next year's program of work (Attachment 3).

The management services agreement outlines the process for the annual city appropriation, as well as the allocation plans for five categories of activities. Table 1 outlines the allocation based on these activities for the past, current and upcoming budget years.

Table 1. Scottsdale Arts Budget Allocation History

	FY 15/16	FY 16/17	FY 17/18
Management and Administration of the Facilities	\$3,581,749	\$3,733,204	\$3,868,603
Maintenance and Repair of Specialty Equipment	17,610	17,610	17,610
Community Arts Grant Program	80,000	60,000	60,000
<i>Management and Administration subtotal:</i>	3,679,359	3,810,814	3,946,213
Conservation and Restoration of City Artwork	130,000	130,000	130,000
Management and Administration of Art in Public Places and Art in Private Development Programs	572,474	572,474	572,474
<i>Public Art subtotal:</i>	702,474	702,474	702,474
Total Management Services Fee	\$4,381,833	\$4,513,288	\$4,648,687
Year over Year Percent Change	3%	3%	3%

These city allocations are shown as revenues on the Scottsdale Arts approved FY 2017/18 Operating Budget (Attachment 3). City allocations do not exactly match operating expenses in all cases because funds from earned and contributed revenue are also being used in addition to city funds. Furthermore, prior year allocations do not match revenues in some cases because of slight variances in accounting procedures.

The total Management Services Fee is paid over a nine-month period from July 2017 to March 2018. The first payment (July) is a double-payment, the second (August) is one and a half payment, and the final payment (March) is a half payment. The accelerated payment plan for July and August reflect cash flow needs of Scottsdale Arts. The Community Arts Grant Program plans to award \$60,000 in FY 2017/18 to community arts organizations pending City Council approval of this agreement with supplemental funding recommended for Scottsdale based arts organizations from the City of Scottsdale's Community Arts Trust fund.

RESOURCE IMPACTS

The Scottsdale Arts' approved FY 2017/18 operating budget is \$10,982,632. The city's contribution accounted for 40 percent of their FY 2016/17 budget and it is estimated at 42 percent for FY 2017/18. The proposed Scottsdale Arts FY 2017/18 budget reflects a 3 percent increase in funding from the city. Sufficient funding is included in the city's FY 2017/18 operating budget.

In FY 2016/17, Scottsdale Arts leveraged the city's investment of \$4.5 million by generating \$6.7 million in earned and contributed revenues to fund arts programs and related operating expenses.

For FY 2017/18, Scottsdale Arts forecasts that the city's investment of \$4.65 million will be leveraged by generating \$6.33 million in earned and contributed revenues.

STAFF RECOMMENDATION

Adopt Resolution No. 10819, authorizing Agreement No. 2017-078-COS, a financial participation agreement between the City of Scottsdale and Scottsdale Arts for fiscal year 2017/18 in the amount of \$4,648,687.

RESPONSIBLE DEPARTMENTS

Tourism and Events Department.

STAFF CONTACTS

Karen Churchard, Tourism and Events Director, (480) 312-2890, KChurchard@ScottsdaleAZ.gov

APPROVED BY


Judy Doyle, Budget Director
(480) 312-2603, JDoyle@ScottsdaleAZ.gov

6.12.17
Date


Brent Stockwell, Assistant City Manager
(480) 312-7288, BStockwell@ScottsdaleAZ.gov

6/09/17
Date


Jim Thompson, City Manager
(480) 312-2811, JThompson@ScottsdaleAZ.gov

6.12.17
Date

ATTACHMENTS

1. Resolution No. 10819
2. Financial Participation Agreement No. 2017-078-COS
3. Scottsdale Arts FY 2017/18 Operating
4. Scottsdale Arts FY 2016/17 Highlights and FY 2017/18 Overview

RESOLUTION NO. 10819

A RESOLUTION OF THE COUNCIL OF THE CITY OF SCOTTSDALE, ARIZONA, AUTHORIZING THE MAYOR TO EXECUTE FINANCIAL PARTICIPATION AGREEMENT NO. 2017-078-COS WITH THE SCOTTSDALE CULTURAL COUNCIL FOR THE CITY'S 2017-18 FISCAL YEAR.

WHEREAS, on May 20, 2008, the City and the Scottsdale Cultural Council doing business as Scottsdale Arts ("Scottsdale Arts ") entered into Management Services Agreement 2008-048-COS ("Management Services Agreement"), wherein the City designated Scottsdale Arts as the principal organization for advising, planning and administering arts and cultural activities for the City; and

WHEREAS, the City desires to provide funds to Scottsdale Arts for fiscal year 2017-18 so that Scottsdale Arts may continue to administer the arts and cultural activities for the City pursuant to the terms of the Management Services Agreement, and the City Council has appropriated funds for such purposes; and

WHEREAS, the Management Services Agreement provides that for each year the City Council appropriates funds for Scottsdale Arts, the parties shall enter into a Financial Participation Agreement regarding the appropriation;

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Scottsdale as follows:

Section 1. The Mayor is hereby authorized and directed to execute, on behalf of the City, Financial Participation Agreement No. 2017-078-COS with Scottsdale Arts for the total sum of four million six hundred forty-eight thousand six hundred eighty-seven dollars (\$4,648,687.00) for fiscal year 2017-18 for Scottsdale Arts to administer the City's arts and cultural activities pursuant to the terms of the Management Services Agreement.

PASSED AND ADOPTED by the Council of the City of Scottsdale, Arizona, this ____ day of _____, 2017.

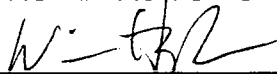
ATTEST:

CITY OF SCOTTSDALE,
a municipal corporation

Carolyn Jagger, City Clerk

W.J. "Jim" Lane, Mayor

APPROVED AS TO FORM:



Bruce Washburn, City Attorney
By: William Hylen, Senior Assistant City Attorney

FINANCIAL PARTICIPATION AGREEMENT BETWEEN THE CITY OF SCOTTSDALE AND
THE SCOTTSDALE CULTURAL COUNCIL FOR FISCAL YEAR 2017-18

This Financial Participation Agreement ("Agreement") is made and entered into this ____ day of _____, 2017, by and between the City of Scottsdale, an Arizona municipal corporation (the "City"), and the Scottsdale Cultural Council, an Arizona non-profit corporation (the "Cultural Council").

RECITALS

A. On May 20, 2008, the City and the Cultural Council executed City of Scottsdale Agreement No. 2008-048-COS ("Management Services Agreement"), in which the City designated the Cultural Council as the principal organization for advising, planning and administering arts and cultural activities for the City.

B. In accordance with the Management Services Agreement, the City desires to pay the Cultural Council a Management Services Fee for the City's fiscal year 2017-18, and the City Council has appropriated funds for such purposes.

C. The Management Services Agreement provides that the City shall disperse the Management Services Fee for any given fiscal year to the Cultural Council in installment payments, pursuant to a separate financial participation agreement.

NOW THEREFORE, in consideration of the mutual covenants and conditions hereinafter set forth, the parties agree as follows:

1. Incorporation of Recitals. The recitals to this Agreement are hereby affirmed by the parties as true and correct and are incorporated herein by this reference.
2. Incorporation by Reference. The Management Services Agreement is incorporated into this Agreement by this reference as if fully set forth herein. Likewise, this Agreement is made a part of the Management Services Agreement by this reference as if fully set forth therein.
3. Definitions. Unless otherwise expressly provided herein, the definitions contained in the Management Services Agreement shall apply to the same terms used in this Agreement.
4. Services to be Performed by the Cultural Council. The Cultural Council shall provide the services specified in the Management Services Agreement and shall comply in all respects with the provisions of the Management Services Agreement.
5. Financial Participation by the City.

5.1. Solely for the purposes stated in this Agreement and the Management Services Agreement, the City shall pay the Cultural Council a total Management Services Fee of four million six hundred forty-eight thousand six hundred eighty-seven dollars (\$4,648,687.00) during and for the City's fiscal year 2017-18. The City shall pay the Management Services Fee to the Cultural Council in accordance with the following schedule:

5.1.1 Nine hundred twenty-nine thousand seven hundred thirty-seven dollars (\$929,737.00) by July 16, 2017.

5.1.2 Six hundred ninety-seven thousand three hundred two dollars (\$697,302.00) by August 16, 2017.

5.1.3 Four hundred sixty-four thousand eight hundred sixty-nine dollars (\$464,869.00) by September 16, 2017.

5.1.4 Four hundred sixty-four thousand eight hundred sixty-nine dollars (\$464,869.00) by October 16, 2017.

5.1.5 Four hundred sixty-four thousand eight hundred sixty-nine dollars (\$464,869.00) by November 16, 2017.

5.1.6 Four hundred sixty-four thousand eight hundred sixty-nine dollars (\$464,869.00) by December 16, 2017.

5.1.7 Four hundred sixty-four thousand eight hundred sixty-nine dollars (\$464,869.00) by January 16, 2018.

5.1.8 Four hundred sixty-four thousand eight hundred sixty-nine dollars (\$464,869.00) by February 17, 2018.

5.1.9 Two hundred thirty-two thousand four hundred thirty-four dollars (\$232,434.00) by March 17, 2018.

5.2. Of the Management Services Fee specified above, the following amounts are hereby allocated and earmarked by the City and shall be expended by the Cultural Council solely for the identified purposes:

5.2.1. Seventeen thousand six hundred ten dollars (\$17,610.00) for the maintenance and repair of all Specialty Equipment and Specialty Fixtures, as provided in Subsections 7.1.2 and 13.2.1 of the Management Services Agreement.

5.2.2. One hundred thirty thousand dollars (\$130,000.00) for the Conservation and Restoration of City Artwork, as provided in Subsections 11.4 and 13.2.2 of the Management Services Agreement.

5.2.3. Sixty thousand dollars (\$60,000.00) for the management, administration of, and grants awards for the Community Art Grants Program, as provided in Subsection 5.5 of the Management Services Agreement.

5.2.4. Five hundred seventy two thousand four hundred seventy four dollars (\$572,474.00) for the management and administration of the Art in Public Places Program and the Art in Private Development Program, as provided in Subsections 11.7 and 11.8, respectively, and Subsection 13.2.4, of the Management Services Agreement.

5.3. Not later than December 31, 2018, in accordance with Subsection 14.2 of the Management Services Agreement, the Cultural Council shall provide the City Contract

Administrator with a separate accounting of each of the earmarked funds set forth above in subsection 5.2.

6. Term. The term of this Agreement shall commence on July 1, 2017 and end on June 30, 2018, unless sooner terminated.

7. Termination. The termination provisions of the Management Services Agreement are incorporated herein by this reference as if fully set forth.

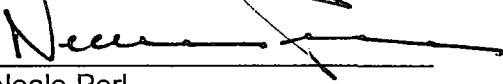
8. Statutory Cancellation Right. In addition to its other rights hereunder, the City shall have the cancellation rights specified in A.R.S. § 38-511.

9. Survival. Any and all provisions or obligations contained in this Agreement that by their nature or effect are required or intended to be observed, kept or performed after termination of this Agreement shall survive termination of this Agreement and remain binding on the parties.

[Signature page follows]

EXECUTED as of the date first given above.

SCOTTSDALE CULTURAL COUNCIL,
an Arizona non-profit corporation



Neale Perl
President and CEO

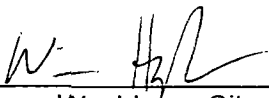
ATTEST:

CITY OF SCOTTSDALE,
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Carolyn Jagger, City Clerk

W.J. "Jim" Lane, Mayor

APPROVED AS TO FORM:



Bruce Washburn, City Attorney
By: William Hylen
Senior Assistant City Attorney



Karen Churchard
Tourism and Events Director

SCOTTSDALE ARTS **FY2018 Budget**			
	Actual FY2016	Budget FY2017	FY18 Budget
Revenue			
Earned Revenue			
Performance Revenue	2,192,608	2,446,331	2,420,275
Student Performances	11,391	10,492	-
Exhibition Admissions	39,829	52,000	60,000
Education Revenue	92,901	53,350	42,150
Box Office Service Fees	116,911	136,087	99,172
Facility Rental	440,181	485,000	389,580
Food & Beverage (net)	202,896	190,360	181,850
Retail (net)	250,347	269,243	231,300
Festival Income	277,813	276,500	265,000
Native Trails Revenue	70,000	70,000	-
Earned Membership	28,884	35,700	37,500
Endowment Draw	296,300	289,907	296,518
Interest and Other Income	40,477	41,000	34,400
Total Earned Revenue	4,060,537	4,355,970	4,057,745
Contributed Revenue			
Membership	275,574	292,400	212,500
Corporations	272,241	405,000	263,500
Individuals	458,835	435,000	710,000
Government	166,800	179,666	160,000
Foundations	331,629	361,500	410,200
Special Events	374,767	450,000	373,000
In-Kind	255,066	236,480	147,000
Total Contributed Revenue	2,134,913	2,360,046	2,276,200
City of Scottsdale			
Management and Administration of the Facilities	3,581,749	3,733,204	3,868,603
Maintenance and Repair of Specialty Equipment	17,610	17,610	17,610
Community Arts Grant Program	80,000	60,000	60,000
Management and Administration SubTotal	3,679,359	3,810,814	3,946,213
Conservation and Restoration of City Artwork and Art in Private Development Programs	130,000	130,000	130,000
Management and Administration of Art in Public Places	572,474	572,474	572,474
Public Art subtotal	702,474	702,474	702,474
Total City of Scottsdale	4,381,833	4,513,288	4,648,687
Total Revenue	10,577,282	11,229,304	10,982,632
Operating Expenses			
Personnel Costs			
Salaries	4,216,796	4,700,219	4,756,755
Employee Benefits	844,933	1,013,202	943,949
Total Personnel Cost	5,061,730	5,713,421	5,700,704
Program Related Cost			
Artist Fees	1,658,391	1,773,391	1,754,038
Program Support	899,633	1,015,895	1,016,739

SCOTTSDALE ARTS **FY2018 Budget**	Actual FY2016	Budget FY2017	FY18 Budget
Total Program Related Cost	2,558,024	2,789,286	2,770,777
Admin & Outside Services			
Outside Services	404,517	379,684	330,665
Supplies	116,381	109,970	106,899
Occupancy	482,406	624,423	643,062
Equipment	220,528	181,834	147,602
Travel & Mileage	35,082	55,684	50,729
Conferences & Meeting	29,576	41,692	41,069
Dues & Subscriptions	38,731	43,633	23,550
Community Development	58,084	62,200	35,800
Postage & Shipping - Admin	16,769	16,890	37,610
Printing - Admin	44,301	55,200	58,850
Insurance	74,770	85,000	79,150
Taxes & Licenses	19,207	40,815	44,470
Miscellaneous	95,941	12,328	5,200
Total Admin & Outside Services	1,636,292	1,709,353	1,604,657
Marketing Cost			
Advertising	593,070	587,996	552,475
Printing & Publications	210,167	254,870	232,150
Postage & Shipping	50,461	96,799	37,475
Total Marketing Cost	853,697	939,665	822,100
Community Art Grants			
Community Art Grants	80,000	60,000	60,000
Total Operating Expenses	10,189,743	11,211,725	10,958,237
NET SURPLUS/(DEFICIT) BEFORE OTHER	387,540	17,579	24,395
Other Income/(Expenses)			
Total Depreciation	247,578	217,558	251,577
Total Investment Gains/(Losses)	(315,703)	-	-
Total Public Art - City of Scottsdale (pass through)	(169,494)	-	-
Total Other Income/(Expenses)	(732,775)	(217,558)	(251,577)
NET SURPLUS/(DEFICIT)	(345,235)	(199,979)	(227,183)

June 5, 2017

SCOTTSDALE ARTS 2017-18: THE YEAR AHEAD

As the 2017-18 season is about to begin (and tickets are on-sale at the Center's Box Office); Scottsdale Arts continues to make significant progress on the goals laid out in the June 2015 Strategic Plan. This plan was developed as a blueprint to help staff and the board of trustees focus on important, achievable objectives. It has functioned as a compass for staff efforts and has been used as a reporting tool, both internally and with our board of trustees.

A component of the Strategic Plan was to increase the cohesiveness and collaboration of what historically has been described as Scottsdale Arts' three divisions: Scottsdale Center for the Performing Arts, Scottsdale Museum of Contemporary Art (SMoCA) and Scottsdale Public Art. Now, all three are part of the rebranded Scottsdale Arts (formerly Scottsdale Cultural Council). They have created greater internal collaboration and developed increased teamwork with innovative and distinctive programming.

With the hiring of a new director of education and outreach this year, Scottsdale Arts has four key programming areas: performing arts, contemporary art, public art and art education. For this upcoming year, Scottsdale Arts will continue to strengthen the bonds that connect these four programming areas, while each strives to offer excellence and compelling experiences in their own disciplines.

In the introduction to the June 2015 Strategic Plan, the following four overarching areas were considered the unifying concepts for the 10 goals addressed in this document:

- Present the highest-quality diverse arts experiences
- Ensure superior facilities and technology
- Strive for operational and organizational excellence
- Attain financial success and sustainability

Among Scottsdale Arts' other key goals for 2017-18 will be to bring new emphasis to education programs across all divisions, to improve customer service through the effective use of existing customer-relationship management systems, to improve the "guest experience" and to make Scottsdale Arts an "employer-of-choice."

All of these initiatives will enhance Scottsdale Arts' ability to fulfill its mission "to develop, advance and deliver high-quality arts, cultural experiences and opportunities in Scottsdale to residents, cultural institutions, artists and visitors from around the world."

Why should the community support Scottsdale Arts?

Scottsdale Arts presents diverse and wide-ranging programs across the arts spectrum, including visual, performing and public art. The organization is committed to building healthy communities through the arts in order to improve the quality of life for our citizens. This is accomplished through innovative and distinctive programs, festivals, community outreach, educational workshops, and most importantly, partnerships with other community organizations. It is through these partnerships we are able to leverage our resources to meet audience needs through efficient and effective programs.

Our country faces a shifting demographic; one that is older and in need of activities that support a healthy mind, body and spirit. According to research by the National Endowment for the Arts in 2016, in the United States, 10,000 people are turning 65 every day. The fastest-growing age group is women 85 and older, and a child born today has a high probability of living to 100. For our community, this is a priority because the median age of Scottsdale is 46.4, nearly 10 years older than the U.S. average (37.8).

With studies showing that engaging with art increases mental and physical health, Scottsdale Arts' Creative Aging programs address issues of the quality of life for aging individuals and the impact the arts have on mental, physical and social wellbeing.

For 2018, our Education & Outreach Department plans to deliver arts-based activities monthly at Scottsdale Arts that focus on Alzheimer's and dementia patients and their caregivers; increase engagement in the arts by offering more comprehensive and position Scottsdale Arts as a research leader by providing training opportunities to organizations across the Valley.

Through Scottsdale Arts' school programs, students in Scottsdale schools work with local, national and touring artists and experts through workshops and master classes with visiting artists and on-site through tours and workshops. These programs provide arts integrated experiences to support core class curriculum, as well as fine arts focused experiences to elevate young artists to the next level and develop skills critical to our fast-paced and constantly shifting society.

With new state legislation set to launch in September 2017, Scottsdale Arts has the opportunity to foster teacher retention by providing meaningful professional development opportunities. The State of Arizona ESSA (Every Student Succeeds At) Plan provides the framework that will be used to measure the effectiveness of every school in the state to ensure students receive a well-rounded education. Scottsdale Arts is positioned to be the leader in professional development for teachers using arts-integration techniques.

Scottsdale Public Art's fifth annual Canal Convergence attracted record attendance this past February, drawing more than 80,000 visitors to the Scottsdale Waterfront. It also brought a record-number of international artists and public art installations to Scottsdale. During the coming fiscal year, Canal Convergence will take place during two weekends in 2018 and begin a transition to a 10-day event over the next 18 months.

Scottsdale Public Art Conservation/Restoration program is one of the highlights of its programming. Quarterly routine maintenance is undertaken for all the outdoor bronze sculptures annually. Major restoration was required for the Louise Nevelson *Windows to the West*, an early commissioned work in 1973. A major restoration will be undertaken on the Jamie Carpenter scrim wall in the courtyard of SMOCA. The roof was replaced for *Knight Rise* by James Turrell, the public skyspace located at SMOCA. Both these projects support SMOCA's upcoming 20th anniversary in 2019.

In an effort to capitalize on enhanced revenue opportunities, as well as showcase more world-renowned talent and expand our brand and attract new audiences, Scottsdale Arts Presents is presenting a limited number of major events in larger venues (Orpheum Theatre and Celebrity Theatre in Phoenix). Among guest artists are YoYo Ma, Ira Glass, David Sedaris and The Manhattan Transfer. This will enhance our new brand and expand our customer and donor base.

Scottsdale Center for Performing Arts provides a wide array of classical, world, family, jazz, humor, holiday, dance, Broadway, film and pop. This attractive mix of internationally-acclaimed artists and local ensembles reaches a diverse audience from Scottsdale, the greater Phoenix area as well as tourists visiting Scottsdale from various U.S. cities.

In October this year, the Scottsdale Museum of Contemporary Art (SMoCA) will unveil a groundbreaking and unprecedented retrospective of seminal Italian-born American artist and architect Paolo Soleri. *Paolo Soleri: The City Is Nature* focuses on drawings, sculptures and models that Soleri produced during the richest years of his artistic evolution — from 1947 until the mid-1970s. This will be SMoCA's third and final exhibition exploring the trajectory of Soleri's art, architecture and philosophy. The first was *Bridges: Spanning the Ideas of Paolo Soleri* (2011) focused on the architect's designs for bridges and coincided with the inauguration of Soleri's final construction project, the Soleri Bridge and Plaza on the Scottsdale Waterfront.

SMoCA holds in trust for the City of Scottsdale a collection of 1,836 art objects. We would like more exposure for the collection and we are working now to get the entire collection viewable on-line in a searchable database. We have bought the specialized software and are now working on getting the first part of the collection on line. This is a very exciting project for the Museum which will gratify donors, allow the public greater access to the collection and increase gifts of art to the Museum.

The Scottsdale Arts Festival, one of the best in the country, plans to create a large community art project and re-imagine the education/children's area as more of a community space for people of all ages. The idea is that this community art project would change each year and become a signature feature of the festival.

While the festival is well-known nationally, our goal is to participate with the International Festivals & Events Association to establish the Scottsdale Arts Festival and gain even more recognition in the United State, as well as the world. The festival is applying for several awards in multiple categories to drive recognition among our festival/event peers nationally and internationally.

In our retail store at the Scottsdale Performing Arts Center, we are researching best practices for getting the store online for customers to be able to buy or order with ease to increase retail revenues for future years.

We also are working with programming and marketing to enhance our Small Business Saturday event to have a larger footprint – similar to a small festival or Sunday Affair – to drive traffic and revenues to the campus and to focus on the fact that we are a local business and support other local businesses by creating this event.

Scottsdale Center for the Performing Arts upcoming 2017-18 highlights:

- Total of 135 performances in FY18 is an 8% increase over FY17 total of 125 performances. Diverse and wide-ranging program offerings include: Classical, World, Family, Jazz, Humor, Holiday, Dance, Broadway, Film, Pop.
- Expanding film offerings to increase digital cinema package (DCP) usage including: four additional Talk Cinema screenings, the typical eight, two documentaries connected to music performances (audience development), film screenings to support Discovery Japan series. Also planning to increase attendance at annual San Francisco Opera series screenings.
- Continuing to engage local promoters for co-promoted events. This strategy helps reduce financial risk, increase return due to wider marketing reach, and expand our customer base and brand.
- Expanding Live & Local Summer Concerts series by activating a second performance space. Local bands perform in VGP and also in Stage 2 to fully activate the campus.
- Building on success of Rob Kapilow at MIM, presenting three concerts with Rob Kapilow @Scottsdale Center for the Performing Arts (in addition to two concerts at MIM in FY18).
- Reinvigorating the Family Series which will include multimedia theater troupe Lightwire Theater and Grammy-Award winning musicians Okee Dokee Brothers.
- Focus on JAPAN in Discovery series. Series includes performances, film, adult education workshops and a culmination festival. Events are designed and promoted by a community-based advisory committee. Key goals are community engagement and collaboration, expanding awareness of arts/culture of a new region each year, promotion of diversity and bringing top international artists to Scottsdale.
- Scottsdale Arts Presents is a new initiative to present prominent artists in larger venues (Orpheum Theatre and Celebrity Theatre) to capitalize on enhanced revenue opportunities. Scottsdale Arts Presents in the 2017-18 season will include: YoYo Ma, Ira Glass, David Sedaris and The Manhattan Transfer.

Highlights from 2016-17:

- 19 sold-out shows including: Pat Metheny, Mary Chapin-Carpenter, Havana Cuba All-Stars, Garrison Keillor, Bruce Hornsby, The Capitol Steps (2 performances), Scottsdale Philharmonic, A Merri-Achi Christmas, Pink Martini, Rob Kapilow (3 performances), Audra McDonald, Kodo: Dadan, Branford Marsallis & Kurt Elling, Olga Kern, Rosanne Cash and the Academy of St Martin in the Fields.

- 26 free community events that served 44,530 participants including: Sunday A'fair, Native Trails, La Gran Fiesta and OrigNation.
- Discovery France series was successful including: 5 main stage performances, 2 exhibition/events with sister divisions, 10 adult education events, 5 French films in collaboration with Scottsdale Public Library and a culmination festival supported by 16 community organizations. (see scope of work attached)

Scottsdale Museum of Contemporary Arts upcoming 2017-18 highlights:

- In autumn 2017, SMOCA will open the exhibition *Paolo Soleri: The City is Nature*. This project and its catalogue with new scholarship by Larry Busbea, Claire Carter, Garth Johnson, and Jonathon Keats, represent the culmination of SMOCA's long-term commitment to a series of three museum shows exploring the work and ideas of visionary architect Paolo Soleri. Past exhibitions in this series include the 2011 *Bridges: Spanning the Ideas of Paolo Soleri* and the 2013 *Paolo Soleri: Mesa City to Arcosanti*. This is an important legacy project for Arizona and received major support from the J W Kieckhefer Foundation in Prescott.
- In the spring of 2018, The American Alliance of Museums, which is the professional organization that represents the country's cultural organizations from art museums to zoos, will, for the first time, hold its annual meeting in Arizona. SMOCA is excited by the prospect of having approximately 5,000 of our colleagues in town, and we are working with museums across the Valley to make the meeting a huge success. SMOCA will showcase original work by Chicano artist Claudio Dicochea and Mexican artist Luis Alfonso Villalobos.
- SMOCA has an active program of events that are designed to engage the audience and keep them regularly engaged with the Museum during the duration of the exhibitions. Our Lit Happy Hour has been very successful, drawing sell-out crowds and very lively discussions. We will continue this series and a number of other next year.
- We are planning to bring in 2 major speakers for our OUT@SMOCA series this coming year. We are very excited to host major figures as well as thanking the LGBTQ community in Scottsdale who have been so supportive of the arts. We are also excited to have a new revenue generating events that help finance the Museum.
- On February 14, 2019, SMOCA will celebrate its 20th Anniversary. We kicked off this campaign by raising funds at our annual fundraiser in May 2017. We also planning to reach out to our founding donors, organizing an important exhibition that pays homage to the Museum's past and work to secure the future of the Museum through this important anniversary.

Highlights from 2016-17:

- SMOCA's paid admission was significantly higher in FY 2017 than initially projected, which was due to timely exhibitions that have captured the popular imagination and a more active presence on social media.

- We revamped the OUT@SMoCA series of events that the Museum has organized with the Scottsdale Office of Diversity and the Scottsdale Commission on Human Relations. We brought out music legend, spoken word artist and anti-bullying advocate Henry Rollins to speak before a paying audience of over 700 people.
- SMOCA holds in trust for the City of Scottsdale a collection of 1,836 art objects. The Museum does not have permanent collection galleries in which to showcase these works but does hold at least one collection exhibition every year. However, we would like more exposure for the collection and we are working now to get the entire collection on-line in a searchable database. Last summer, we used one of our galleries as a part exhibition and part working space in order to be able to bring a significant portion of the collection out of storage, check artworks against the information on the database, conserve them if necessary and photograph them to contemporary standards. We have bought the software and are now working on getting the first part of the collection on line. This is a very exciting project for the Museum which will gratify donors, allow the public greater access to the collection and increase gifts of art to the Museum.

Scottsdale Public Art upcoming 2017-18 highlights:

- Canal Convergence, February 23-26, 2017 drew over 80,000 visitors to the Scottsdale Waterfront and brought a record-number of international artists and public art installations to Scottsdale.
- During the next fiscal year, 17/18, Canal Convergence will build out to two weekends in 2018 and begin a transition to a 10-day event over the next eighteen months.
- Two temporary installations during November 2018 will highlight this transition. Both will be at the Scottsdale Waterfront and will also support the City's Scottsdazzle holiday event.
- Scottsdale Public Art's Creative Residency program has activated The Livery on Brown and 2nd Street for over 4 years. The Livery hosted local artist Nathaniel Lewis, who built his entire summer exhibition in the space with demonstrations and lectures for the public. Ron Carlos, a Native American potter using traditional methods worked with a select group of workshop attendees to create and fire their own ceramics with traditional methods. And David Emmitt Adams currently in residence in The Livery with his 19th photographic methods. Scottsdale Public Art has a second residency with Lauren Stoecker, who studies urban coyotes with her trail cam.
- A major Frankenstein exhibition will be mounted in The Gallery @ The Civic Center Library during fall 2018 to commemorate the 200th anniversary of the novel.
- Scottsdale Public Art Conservation/Restoration program is one of the highlights of its programming. Quarterly routine maintenance is undertaken for all the outdoor bronze sculptures annually. Major restoration was required for the Louise Nevelson *Windows to the West*, an early commissioned work in 1973.
- The roof was replaced for *Knight Rise* by James Turrell, the public skyspace located at SMOCA.

- And major restoration will be undertaken on the Jamie Carpenter scrim wall in the courtyard of SMOCA. Both these projects support SMOCA's upcoming 20th anniversary in 2019.
- Another milestone for Conservation/Restoration is the new database to bring the entire Public Art Municipal Collection online.

Highlights from 2016-17:

- Scottsdale Public Art's Gallery @ The Civic Center Library had a blockbuster summer exhibition during 2016 with *Camp Dreamtree*. Over 33,000 visitors came through the exhibition during the three months of its duration.
- Currently, *Bird Cloud Island* has been very well attended with nearly 6,000 people in its first 3 weeks. These interactive summer exhibitions are created by local artists and supported with bi-weekly free workshops for children and adults of all ages.

Education 2017-18 highlights:

Creative Aging

Our country faces a shifting demographic; one that is older and in need of activities that support a healthy mind, body and spirit. According to research by the National Endowment for the Arts in 2016, in the United States, 10,000 people are turning 65 every day. The fastest-growing age group is women 85 and older, and a child born today has a high probability of living to 100. For our community, this is a priority because the median age of Scottsdale is 46.4, nearly 10 years older than the U.S. average (37.8).

With studies showing that engaging with art increases mental and physical health, Scottsdale Arts' Creative Aging programs address issues of the quality of life for aging individuals and the impact the arts have on mental, physical and social wellbeing.

2018 Plans

- Deliver arts-based activities monthly at Scottsdale Arts that focus on Alzheimer's and dementia patients and their caregivers.
- Increase engagement in the arts by offering more comprehensive workshops at Granite Reef and Via Linda Senior Centers.
- Position Scottsdale Arts as a research leader by providing training opportunities to organizations across the Valley.

School programs

An investment in education is a long-term investment in our community's economy. Learning through the arts fosters innovation, communication, problem solving, critical thinking and entrepreneurship—skills any 21st century business wants to see in its employees.

Through Scottsdale Arts' school programs, students in Scottsdale schools work with local, national and touring artists and experts through workshops and master classes with visiting artists and on-site through tours and workshops. These programs provide arts integrated experiences to support core class

curriculum, as well as fine arts focused experiences to elevate young artists to the next level and develop skills critical to our fast-paced and constantly shifting society.

2018 Plans

- Expand residency program offerings in Scottsdale school districts by utilizing visiting artists under contract for in-school appearances. This will include:
 - 10 master classes
 - 80 classrooms (not including Arizona Wolf Trap)
 - Pilot an after-school, poetry program in one middle school
 - Pilot new arts-integrated music composition program in an elementary and middle school
- Develop curriculum-based programs for exhibitions at SMOCA to increase student and teacher engagement in exhibitions
- Build relationship with Scottsdale-area school districts, post-secondary institutions, experts and key stakeholders to identify participation in the Scottsdale Arts Education Committee.

Professional Development

Student success is directly impacted by teacher experience. Arizona is one of the lowest compensating states for teachers. This means many teachers only stay for a short time and teacher turnover is a priority issue for the state. In a recent report by the Arizona Department of Education (2016)ⁱ, studies show that teachers that have access to professional growth opportunities feel more vested in their careers and tend to remain teachers longer. We want the best for our students in Scottsdale schools, which is why Scottsdale Arts values teacher training programs.

With new state legislation set to launch in September 2017, Scottsdale Arts has the opportunity to foster teacher retention by providing meaningful professional development opportunities. The State of Arizona ESSA (Every Student Succeeds At) Plan provides the framework that will be used to measure the effectiveness of every school in the state to ensure students receive a well-rounded education. Scottsdale Arts is positioned to be the leader in professional development for teachers using arts-integration techniques.

2018 Plans

- Expand professional development for teachers through workshops to promote using the arts across the curriculum.
 - Host two Teacher's Night Out events
 - Deliver two arts-integration PD workshops led by Scottsdale Arts
 - Coordinate and deliver four Kennedy Center professional development days

Community Highlights

Scottsdale Arts is committed to building healthy communities through the arts in order to improve the quality of life for our citizens. This is accomplished through festivals, programs, workshops, and most importantly, partnerships with other community organizations. It is through partnerships we are able to leverage our resources to meet audiences through efficient and effective programs.

2018 Plans

- Increase family programming opportunities by offering Family Days that align with museum exhibitions, organizational events and performances.
- Collaborate with the Scottsdale Public Library on FY18 summer exhibition
- Develop an intern and volunteer program to support summer learning in the library exhibitions
- Collaborate with community organizations through festivals and programming.
 - Specific collaborations include: Scottsdale Training and Rehabilitation Services, Scottsdale Public Library, Children's Learning and Play Festival, Thrive After Three, Phoenix Zoo, Phoenix Art Museum, Arizona Science Center, and other opportunities as they arise.
- Develop a Scottsdale Arts education brochure, rack cards and other marketing collateral to build audiences.

¹ Arizona Department of Education (2016). Educator Retention and Recruitment Report. Accessed from <http://www.azed.gov/public-relations/files/2016/01/az-educator-retention-and-recruitment-second-report.pdf>.

2016-17 Education Highlights

Creative Aging – 2016-17 Highlights

- Scottsdale Arts was selected to attend the Arizona Commission on the Arts AZ Creative Aging Generation(s) Lab. This included webinars, workshops and events that brought 13 arts organizations together to create meaningful experiences for aging adults. From this, we delivered:
- Scottsdale Arts partnered with 20 seniors from Granite Reef Senior Center and 20 teens from Coronado High School in an intergenerational mural project led by artist Joan Baron.
- Weekly workshops were held at Granite Reef to engage older adults through the art to improve mental well-being.

School programs – 2016-17 Highlights

- Cultural Connections through the Arts presented another exciting line up of artist residencies that reached over 60 classrooms. One residency engaged seventh grade science students through the question, "Can a robot create art?" Led by kinetic sculpture artist and inventor of the Art Roomba, Bobby Zokaite, students designed and built their own Art Robots from deconstructed found objects. Art robots were exhibited this spring in the Center's ArtReach Space.
- 500 students from 17 schools, 80 high school volunteers and 50 corporate volunteers participated in our annual A Celebration of the Arts for Children with Disabilities.
- 600 students attended Arizona Wolf Trap field trips and 85 classrooms across the city benefited from this early childhood education program, a 15% increase over last year. Through combination of teacher workshops, in-classroom residencies, a field trip and resources, Arizona Wolf Trap uses visual and performing arts to help young learners master a variety of skills

including language development, gross and fine motor coordination, concentration, memory, verbalization and positive self-images.

- Our annual Arts Education Showcase presented over 120 student performers and 500 attendees. It transformed the Scottsdale Center for the Performing Arts into a festival experience featuring spoken word and music performances, and art demonstrations and exhibitions.

Professional development – Education 2017 Highlights

- We hosted our first Teachers' Night Out. Twenty teachers from Paradise Valley and Scottsdale Unified School Districts attended a fun and educational evening in the SMOCA Lounge. The evening included presentations of lessons by experienced arts-integration teachers, a sneak peek of *Bird Cloud Island*, the summer library exhibition by Scottsdale Public Art, and a presentation by Scottsdale Arts Education & Outreach staff about upcoming programs for the 2017-18 school year.
- Through a partnership with the Kennedy Center and Scottsdale Unified School Division, Scottsdale Arts brought teaching artists to students and teachers three times this year. Topics of study included enlivening history through theatre and math and movement.

Community - Education 2016-17 Highlights

- Launch of the Community Arts Studio at the Scottsdale Arts Festival included 10 artist demonstrations, 6 community partners and featured the Beadle Box as a working artist's studio. We unlocked the mystery of the artist's studio through hands-on demonstrations and opportunities to see the artistic process of mediums from glass fusing to printmaking.
- Specially-trained docents led tours for adults from STARS (Scottsdale Training and Rehabilitation Services) with cognitive and physical disabilities. Each tour also included an art making activity. This program allowed us to make SMOCA an accessible and safe space for adults that might not normally come to the museum.
- Over 600 parents and children attended the annual Family MIX; a 25% increase over last year. Activities provided by the Arizona Science Center's CREATE space, such as make-and-take LED wearables, scribblebots and giant spin art, as well as the opportunity to, see 3-D printers and interact with the high-tech art in SMOCA's galleries. Over 2/3 of the visitors were new to SMOCA!

Scottsdale Arts Festival

- Planning to create a large community art project and re-imagining the education/children's area as more of a community space for people of all ages. The idea would be that this community art project would change each year and become a renowned part of the festival and drive traffic and additional revenues as a participatory, signature piece of the festival's scope moving forward.
- Increase participation with the International Festival and Event organization and conference to establish the Scottsdale Arts Festival as a more recognized event nationally. Applying for several awards in multiple categories to drive recognition amongst our festival/event peers nationally and internationally

Food & Beverage

- Create a pre-order phone app or other systems for patrons to better utilize pre-order system to alleviate lines at bars and driving additional revenues. Improve patron experience with this type of system.
- Working with programming to build a small cabaret test series to begin during the Live & Local concerts and will create a “small plates” menu to help drive additional revenues for F&B.
- 35 Catwalk Lounge events held in 16/17 season with increased entry to \$12 (previously \$10 for the three years prior). Improved menu offerings.

Retail

- Researching best practices for getting the retail store online for customers to be able to purchase or order with ease to increase retail revenues for future years.
- Looking at new specialty logo items to sell – Scottsdale Arts, SMOCA, Scottsdale Arts Festival items and other similar types of products that would be specialty items specific to our retail outlets to increase revenue. Create an online/e-commerce site which will be a significant growth opportunity for the retail store’s revenue.
- Working with programming and marketing to enhance our Small Business Saturday event with a larger footprint – similar to a small festival or Sunday Affair – to drive traffic and revenues to the campus during this holiday weekend and to enhance/focus on the fact that we are a local business and support other local businesses by creating this event.

Rentals 17/18

- At this date, we have confirmed 60 rentals, 22 of which are new events.

Rentals 16/17 highlights

- 106 rental events were scheduled providing \$44,651 in non-profit discounts and rental expense waivers through the Nonprofit Rental Support Program.
 - We hosted major city events such as the Scottsdale Senior Services’ Entertainment Extravaganza and the Women Leading in Government Symposium.
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